



is not unusual for a programmer to contract on a "barter" basis for time and advertising on a system. There are many other examples of creative marketing arrangements which inure to the benefit of all of the parties who have agreed to them. Such "flexible-rate" agreements can play an important and useful role in promoting not only the noncommercial service carried on the set-aside, but also the total DBS service to subscribers and the public at large. Short of stipulating the exact nature of any



confer upon the DBS providers sufficient latitude in the selection of public service programming, and how the use of the set-aside channels will be implemented, so DBS can grow in an orderly and meaningful fashion. Such flexibility can have positive results for all parties to the public service obligation, given the vast competitive potential that DBS services can offer in the video market place.

SBCA recommends the Commission adopt a channel definition based on compressed channels available to consumers rather than a fixed transponder bandwidth, and that the minimum "channel base" which would trigger the public service obligation be in the range of 20-25 channels at a set-aside level of 4%. As the "channel base" increased, the 4% application would make an additional public service channel available for each 25-channel augmentation. SBCA also recommends that the political broadcasting obligation be satisfied through the use of either a dedicated "political" channel available to "qualified federal candidates," or through the use of space on multiple, unspecified channels at the discretion of the provider.

A principal consideration in this proceeding is the fact that DBS is a national, point-to-multi-point service that, as a practical matter, does not lend itself to a local broadcast format. The real public benefits of DBS service will arise in its ability to compete with existing multichannel video providers on a national scale, but from a single source. In addition, the satellite broadcast format will allow DBS to compress digitally almost immediately and so have a large number of channels available for the consumer to

choose from. It is important that the regulatory climate enable DBS providers to get off the ground in a manner which will help insure their competitive position in the market place while at the same time satisfying their public broadcast obligations to the mutual benefit of the participating parties.

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